

## INDUSTRY STAKEHOLDER MEETING RECORD

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**INDUSTRY GROUP:** US Military

**DATE:** October 6, 2011

**LOCATION:** NCDOT Board Room, 1 Wilmington, Raleigh NC

<b>PARTICIPANTS:</b>	<u>Industry Stakeholders</u> Roger Bullock, USACE Iwan Clontz, NC National Guard Scott Dorney, NC Military Business Center Tony Ferguson, NC National Guard Mike Gorman, MCB Camp Lejeune Steven McGee, US Coast Guard Westley Moore, NC National Guard John Nicholson, Governor's Office Don Parker, MOTSU LTC Charlie Pelham, USACE Anthony Popiel, US Coast Guard Joe Ramirez, US Marine Corps Mike Rutowski, Kimley-Horn & Associates Phillip Shepard, Rep. Onslow County	<u>NCDOT</u> Roberto Canales Seth Palmer  <u>Maritime Strategy Team</u> Gil Burnett, AECOM David Griffin, URS Eddie McFalls, AECOM Garold Smith, Eydo Rachel Vandenberg, AECOM
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The Maritime Strategy study team met with US military representatives to discuss the needs for military use and connection to North Carolina and other regional ports. The meeting was held at the NCDOT Board Room in Raleigh on October 6, 2011 from 9am to 11am.

Rachel Vandenberg and David Griffin provided an overview (see Attachment 2) of the North Carolina Maritime Strategy scope and purpose, after which stakeholder provided input on military use and needs for waterborne transport out of North Carolina.

Major topics of discussion and input received by the study team are summarized below. Attachment 1 includes a list of abbreviations that are used in this summary.

### Lejeune

- Currently use MHC port and Radio Island to support three-ship amphibious ready unit based in Norfolk.
- MHC is used to deploy a Marine expeditionary unit about every 6-7 months.
- Also use Onslow Beach for larger vessels to move heavy equipment (e.g. M1A1 tanks) that is not feasible to move through the port.
- US Transportation Command (TRANSCOM)/Fleet Forces Command (e.g., out of Scott AFB) typically makes decisions with regard to which port will be used for deployments.
- Tug costs at MHC are problematic. MHC has only two tugs; Navy requires three to bring large vessels into port – landing craft are therefore often used to shuttle gear to ship in deep water.
- 2008 was last time POW was used for cargo deployment.

- Rail is routinely used when there is adequate lead time to secure specialized railcars. Lead time required for logistics purposes. Although rail is cost effective, it is not time sensitive and is often not an option when working within a constrained shipping timeframe.
- Aft Ro-Ro deck configuration on vessels – it is difficult to accommodate these at Wilmington but are able to do so at MHC. Larger deck vessels are easier to berth at Radio Island.
- The depths are good at MHC. 50' would be excellent. Currently there are some shoaling problems due to Hurricane Irene off tip of Shackleford Island.

#### **Ft. Bragg**

- Use of ports is mandated by TRANSCOM – TRANSCOM out of Scotts AFB should be part of this dialogue.
- Ft. Bragg mostly uses Charleston port accessed via rail.
- Costs are less to go through Charleston primarily because that is where the 841<sup>st</sup> Transportation Battalion is based and they have a government owned dock.
- TRANSCOM will default to least expensive option as long as timelines can be met.
- There will be a contraction of unit moves in the future as troops and equipment are coming home and less are leaving.
- Wallace Connection and Pembroke Switch (turn) are needed to get to Wilmington; this will facilitate moves to Wilmington and will be seen as positive by TRANSCOM and SDDC.
- A shorter road route to Wilmington is also attractive.
- Retrograde of operations for containers – these may come back through the regular stream of commerce traffic.

#### **MOTSU & Related Security**

- NCIT site is just outside of explosive arc of MOTSU (except for small corner). Beyond that arc, there is little concern or issue that would cause military to restrict use there, though there may be some minimal restrictions.
- There is potential for combined/interlaced security arrangements between MOTSU, Progress Energy, NCIT.
- Would like to see facility that is “military useful”. For example,
- Cannot bring general cargo through Sunny Point because of presence of explosives.
- Proximity of NCIT makes it attractive for complementary loading of general cargo.
- Wharves at MOTSU – 38' and 34' depth, maintained with annual dredging
- Proximity of proposed NCIT site to MOTSU and Progress Energy does not present any unique security concerns per USCG. Although Progress energy may have more security concerns since the NCIT site is adjacent to their intake canal.
- Coast Guard maintains a risk mitigation plan for the ports. Managing workload related to new or expanded container operations may require additional inspectors.
- Other ports or NCIT site would not pose any additional issues.
- It's not uncommon for commercial vessels to transfer some cargo to MOTSU and carry munitions/explosives as well.

#### **Access to Morehead City**

- NC Hwy 24 presents problems with superload permitting. It is costly and time consuming.
- The ability to deal with a single rail carrier (NS) is positive.
- Rail access is key for heavy Ro-Ro – roll off rail and directly onto vessel.
- Northern Carteret Bypass would be a positive addition – but cost is about \$80M. Any inland facility from POMHC will benefit greatly from and may depend on a Bypass.

### **Access to Wilmington**

- Wallace to Castle Hayne rail connection would cut time from Ft Bragg to Wilmington in half (cost about \$65 million). Could get attention of TRANSCOM.
- Use of barges was investigated in 2006 but not implemented – also military can typically use Landing Craft Air Cushion (LCAC) or Landing Craft Utility (LCU) to shuttle in lieu of barge.
- I-40 is a good asset to POW.

### **Military Logistics**

- US TRANSCOM out of Scott AFB makes decisions on which ports are used.
- Also, SDDC (point of contact: Brandon Snyder, Sealift Operations).
- Anticipate retrograde moves of containers returning to US.
- VISA agreement with Maersk, APL, and other ocean carriers – “commercial first” use of these liners.
- Returning military containers are likely to be mixed with other commercial cargo.
- Charleston also has a Navy mole (Title 10 security contingent) that Wilmington does not have.
- Ports should be developed for other than military operations – but development should facilitate and accommodate military movements.
- Ports’ ability to accommodate heavy rail movements/deployments between east and midwest would be looked upon favorably by SDDC.
- There are second and third order effects – unit moves are big, but a sustainable “tail” wins the war. Sustainable pipeline goes well beyond the surge of troop deployment.
- A national landside strategy to accommodate the military should be considered in addition to port side strategies.

### **Port Facility Needs**

- Existing NC ports do not have sufficient area for marshalling of equipment – 1000+ acres (even 2,000 acres) are needed, but can be inland and should have primary commercial use (GTP mentioned as possible location for this).
- Need heavy crane and Ro-Ro capabilities.
- Container handling capability – containers are used where possible.
- Using gantry to load from ship to rail then inland would minimize handling.
- Vessels often handle mixed cargo.
- Stevedores could work inland versus on port.
- Berth lengths: 800’ for “black bottom” ; 1200’ for carrier.
- In TRANSCOM’s opinion, Jacksonville, FL has ideal installation configuration for military use
- Importance on providing road and rail connections from Seaports of Entry (SPOE) to Airports of Entry (APOE) -- Pope, Seymour, Cherry Point, and GTP are all certified APOEs.
- On terminal area – enough to handle up to 200 TEUs. Need clear area during military operations.
- APMT-style container yard operation is not conducive to military use.
- Military activity ebbs and flows depending upon world events.

### **Dredging**

- USACE priorities based on military need and commercial tonnage. A “high volume” port is considered as one that handles 10 million tons per year or more.

### **Opportunities**

- Jacksonville FL not designated as strategic seaport – port has interest in developing more commercial terminals as does Charleston port.

- Factor “least touch” into the planning cycle. With regard to redeployment of equipment and material – benefits are seen where materials need to be carried the least distance and handled less to reach the home station.
- Equipment is being reset to NCNG – MRAPs for example will need climate controlled storage; ability to handle heavy loads.
- With current budget pressures, military is focused on cost avoidance.
- 86,000 Humvees will need to be reset. Reset of Humvees (see RFI released within last 2 weeks) to be performed by private contractors. For example Lockheed Martin currently performs this type of work.
- OshKosh in Jacksonville is a good model.
- The military is currently looking at logistics globally – there is an opportunity to consolidate this.
- Equipment will be routed based on extent of repair/rehabilitation needed. Facilities that handle heavy repair are located in Albany GA and Barstow CA.
- To keep ports vital, strategic title is going to be key.
- Strategic seaports need to be exercised. POW and POMHC are two of 17 strategic ports and are under exercised. They need to be recognized more by TRANSCOM and SDDC.
- Any new port design or existing port re-design need to include the ability to serve the military.
- The military use of ports is becoming a nuisance at some ports such as Norfolk, Charleston and Jacksonville, and post-panamax world military operations will increase substantially. NC ports should become the “catchers mitt” for these military shipments.
- Military wants to containerize as much as possible.

#### **Port Siting**

- The closer you are to a military installation the more restrictions there will be – overflights, water use due to firing/bombing ranges, etc.
- USCG has security in place – no additional requirements needed and no real issues with new sites.
- Offshore wind facilities may pose some restrictions.

#### **Information and Data Sources**

- US TRANSCOM
- SDDC – Ports for National Defense
- 2003 Air-Sea-Road network study
- USCG parameters for terminal area / operations

#### **Action Items:**

- Contact TRANSCOM/ SDDC to identify key needs and considerations in port use and access
- Obtain input from USCG on port terminal use restrictions during military operations
- Coordinate with Progress Energy to determine issues/concerns with regard to the NCIT site (security, intake water, etc.)

## **ATTACHMENT 1 - ABBREVIATIONS**

The following abbreviations are used in this memorandum:

AFB	Air Force Base
APMT	APM Terminal at Norfolk, Virginia
APOE	airport of entry
GTP	Global TransPark
LCAC	Landing Craft Air Cushion vessel
LCU	Landing Craft Utility vessel
MCB	Marine Corps Base
MHC	Morehead City
MOTSU	Military Ocean Terminal at Sunny Point
MRAP	Mine Resistant Ambush Protected vehicle
NCIT	North Carolina International Terminal
NCNG	North Carolina National Guard
NS	Norfolk Southern Railway
POMHC	Port of Morehead City
POW	Port of Wilmington
RFI	request for information
Ro-Ro	roll on – roll off
SDDC	US Military Surface Deployment and Distribution Command
SPOE	seaport of entry
TRANSCOM	US Military Transportation Command
USACE	United States Army Corps of Engineers
USCG	United States Coast Guard
USMC	United States Marine Corps
VISA	Voluntary Intermodal Sealift Agreement



# Military Workshop

October 6, 2011  
NCDOT Board Room  
Raleigh, North Carolina



## Agenda

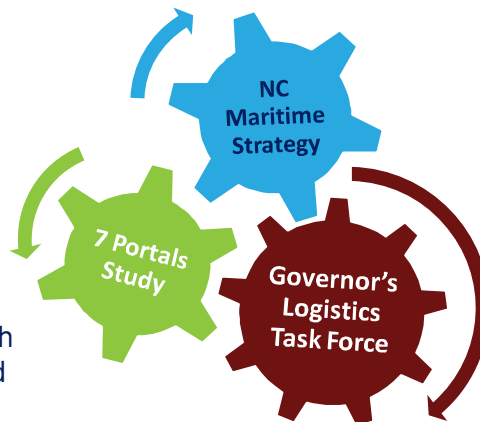
- Welcome
- Introductions
- Overview of Maritime Strategy
- Discussion:
  - NC Military Facilities Needs
  - Role of NC Ports as "Strategic Seaports"
  - Screening of Potential Deepwater Port Sites
- Wrap up and Summary



NORTH CAROLINA  
**MARITIME** Strategy

## Maritime Strategy is driven by objectives of the Governor's Logistics Task Force

- The Governor's Logistics Task Force (GLTF) recommended that the *Maritime Strategy* be initiated to evaluate North Carolina ports' current and future role in strengthening the state's economy.
- The *Maritime Strategy* will complement and coordinate with the 7 Portals Study, also initiated by the GLTF.



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NORTH CAROLINA  
**MARITIME** Strategy

## Project Team

- AECOM
  - Global engineering firm with 45,000 staff in 100 countries
  - Industry leader in transportation, rail/transit, ports & marine
  - 25 years in North Carolina
- URS
  - Global engineering firm with 45,000 staff
  - 45 years in North Carolina
- Eydo
  - public involvement for NCDOT and NCRR

### THE TOP 500 DESIGN FIRMS

RANK 2010	RANK 2009	FIRM
1	2	AECOM TECHNOLOGY CORP., Los Angeles
2	3	URS CORP., San Francisco, Calif.†
3	1	JACOBS, Pasadena, Calif.
4	4	FLUOR CORP., Irving, Texas†
5	5	CH2M HILL, Englewood, Colo.†
6	7	BECHTEL, San Francisco, Calif.†
7	10	AMEC, Tucker, Ga.†
8	8	TETRA TECH INC., Pasadena, Calif.†
9	9	KBR, Houston, Texas†
10	6	THE SHAW GROUP INC., Baton Rouge, La.
11	13	HDR, Omaha, Neb.†
12	11	PARSONS BRINCKERHOFF INC., New York
13	12	PARSONS, Pasadena, Calif.†
14	15	BLACK & VEATCH, Overland Park, Kan.†



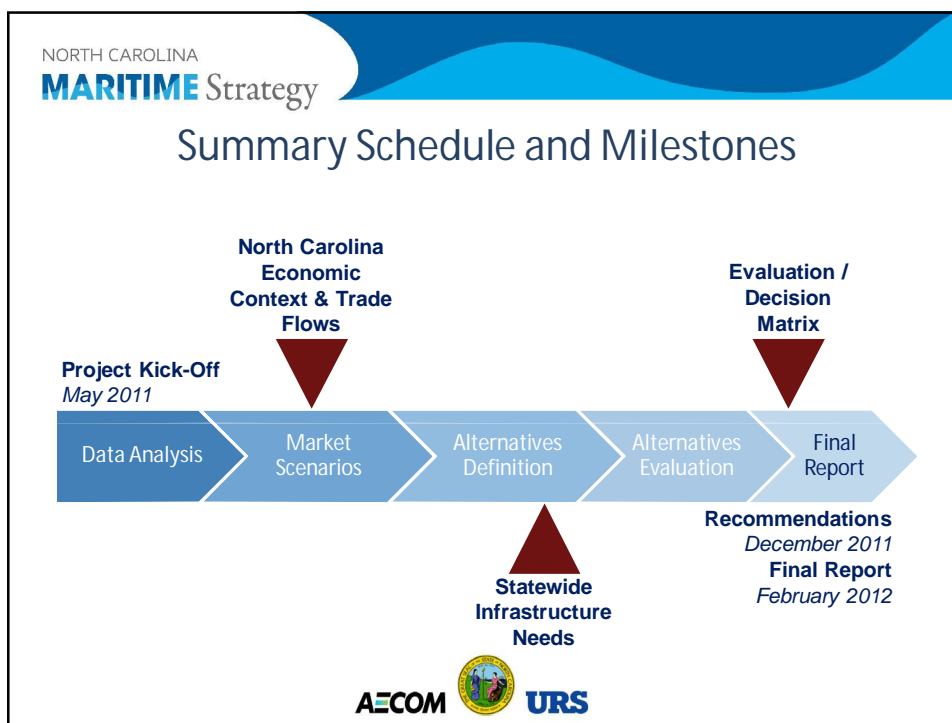


## Maritime Study Scope

- Conduct an open evaluation of North Carolina's position, opportunities and challenges as a portal for global maritime commerce;
- Examine the role of North Carolina ports in sustaining and strengthening the State's economy;
- Obtain input from freight transportation, economic development, and community interests, and
- Identify specific strategies to optimize benefits received from the State's investments in port and associated transportation infrastructure.

## Study Outcomes

- ✓ Decision tool and process for evaluating port and related multi-modal investments
- ✓ Basis for long- and short-term investment strategy for more efficient, effective and safe movement of waterborne cargo in and out of the state
- ✓ Identification of priority projects
- ✓ Support for long-range planning
- ✓ Address institutional issues to approach maritime transportation issues in a more seamless manner



## Stakeholder Coordination

- Focused meetings
  - US Army Corps
  - NC Dept of Coastal Resources
  - Progress Energy / NRC
  - NC Tourism
  - NoPort Southport
  - Save the Cape
  - Yes Port NC
  - Metropolitan Planning Organizations
  - Chambers of Commerce
- Industry workshops
  - Trucking and railroads
  - Shippers
  - Agriculture
  - **Military**
  - Non-Ag manufacturing
  - Special zones
  - Shipping lines

## Initial Profile of North Carolina Ports

- North Carolina ports have available capacity for business growth and some ability to expand (with limitations)
- Import/export trade imbalances – different at Wilmington and Morehead City
- Comparatively uncongested highways relative to other Atlantic ports, but there are landside access challenges
- Low in-port costs are offset by landside and water access (time and distance to market)
- Strength in non-containerized cargo
- Strategic military ports

Port	Miles to sea buoy
Wilmington	26
Morehead City	4
Norfolk	18 (estimated)
Charleston	16
Savannah	13
Jacksonville	10 (Dames Point)

Source: Port websites and NOAA

## Market Scenario Framework

Upper Bound	Conservative	Lower Bound ("Do Nothing")
Advance Market Position	Maintain Market Position	Declining Market Position
<p>Growth Outcome</p> <ul style="list-style-type: none"> <li>Market share capture or decline</li> <li>New markets</li> </ul>		
<p>Necessary Conditions</p> <ul style="list-style-type: none"> <li>Vessel calls and sizes</li> <li>Port capacity and equipment</li> <li>Land and water access</li> <li>Industry growth</li> </ul>		
<p>Risks</p> <ul style="list-style-type: none"> <li>Improvements at competitor ports outpace NCSPA investments in capacity, reliability, efficiency</li> <li>Competitor ports attract more frequent ship calls</li> <li>Business costs rise in NC, tempering manufacturing growth</li> <li>Spending profile of aging NC population shifts away from goods; migration weakens</li> <li>Key bulk and breakbulk markets falter</li> <li>Containerization of bulk/breakbulk accelerates</li> </ul>		
<p>Strategies</p> <ul style="list-style-type: none"> <li>Cooperative agreements</li> <li>Targeted infrastructure investments</li> <li>Leverage strength in bulk and breakbulk</li> <li>Niche markets</li> <li>Aggressively pursue container market</li> </ul>		

## Alternatives & Strategies

Maritime Markets	Policy and Agreements	Infrastructure
<ul style="list-style-type: none"> <li>Containerized cargo</li> <li>Heavy and oversize</li> <li>Refrigerated cargo</li> <li>Grain</li> <li>Biomass</li> <li>Military support</li> </ul>	<ul style="list-style-type: none"> <li>Free trade zones</li> <li>Tax incentives</li> <li>Port partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Last mile roadway connections</li> <li>Highway upgrades to interstate quality</li> <li>Rail connections</li> <li>On-dock and near-dock rail facilities</li> <li>Inland terminals</li> <li>Distribution centers</li> <li>Channel deepening</li> <li>Improved water access</li> <li>New marine terminals</li> <li>Terminal efficiency and capacity upgrades</li> <li>Cargo handling equipment</li> <li>Berth improvements</li> </ul>

## Potential Benefits from Port Investment

- Job creation and associated earnings
- Economic diversity
  - Resilience to economic cycles
  - Compatibility with the State's other significant economic drivers
- Productivity gains to industry: competitiveness
- Public benefits
  - Fiscal returns to the state
  - Potential to reduce road VMT when part of larger freight plan
  - Potential to focus freight in particular corridors and reduce freight and passenger conflicts when part of larger freight plan
  - Alignment with State sustainability objectives for land use and environmental impacts



## Workshop Goals

- What are your needs?
- What would you like to see from NC ports?



## Discussion Topics

- Which NC Military facilities utilize seaports for import/export of equipment and supplies?
- How are these accessed – road or rail?
- What improvements are needed for better access?
- What equipment/material is moving into/out of regional military facilities?

## Discussion Topics

- How are berths and cranes at MOTSU used vs. facilities at commercial ports?
- How often are rail shipments received at MOTSU? Other facilities?
- What needs improvement? Other needed amenities?

## Discussion Topics

- What role do NC Ports play as “Strategic Seaports”?
- What restrictions are placed on strategic ports to ensure facilities are available to military units when needed?
- What restrictions affect location of potential new port sites? (USMC firing range, training routes, radar vector areas, Special use airspace)



## Discussion Topics

- Screening for Potential Deep Water Port Sites
  - Beaufort Inlet
    - Port of Morehead City
    - Radio Island
  - New River area
  - Cape Fear River area
    - Port of Wilmington
    - NCIT Site
    - Other sites
  - Other Possible Locations



## Additional Input

- What additional data sources or input should the study team consider in our analysis?

## Summary and Next Steps

- Primary objectives and needs identified by industry stakeholders
- Additional data sources
- Follow up actions



## MARITIME Strategy

Military Workshop 10/6/11

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